



MARKETING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Wednesday, May 30, 2018
Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815

MINUTES OF MARKETING STANDING COMMITTEE MEETING

COMMITTEE MEMBERS PRESENT: Sean P. Dee (Chair), Kelly Sanders, Fred Atkins, Sherry Menor-McNamara

COMMITTEE MEMBERS NOT PRESENT: George Kam, Denise Yamaguchi

HTA STAFF PRESENT: George Szigeti, Minh-Chau Chun, Caroline Anderson, Chris Sadayasu, Chika Miyauchi, Laci Goshi, Naomi Sjoquist, Charlene Chan, Christina Wieand, Carole Hagihara, Jadie Goo, Kalani Ka'ana'ana, Marc Togashi

GUESTS: Kara Imai, John Monahan, Jay Talwar, Riley Fujisaki, Peter Honig, Nathan Kam, Patrick Dugan, Teri Orton, Lynn Surayan, Rick Fried, Representative Richard Onishi

LEGAL COUNSEL: Gregg Kinkley

1. Call to Order

Presiding Officer Sean Dee called the meeting to order at 1:36 p.m.

2. Approval of Minutes from the February 14, 2018 HTA Marketing Standing Committee Meeting

Mr. Dee asked for approval of the minutes of the Marketing Standing Committee meeting held on February 14, 2018. Mr. Sanders made a motion to approve the minutes. Mr. Atkins seconded the motion, which was approved by all Committee members present.

3. FY 2019 Budget Process

Mr. Dee acknowledged Marc Togashi, who presented a brief overview of the draft of HTA's Fiscal Year 2019 budget. Mr. Togashi informed the Committee that Board members will meet with all program managers two at a time to go over items in the draft budget for the 2019 fiscal year in order to comply with the provisions of the State sunshine law. Mr. Togashi also noted that the 2019 fiscal year budget will be presented to the Board for approval in June.

Mr. Dee asked whether this year's Budget meeting will go over items line by line as HTA has done in the past few years. Mr. Togashi replied affirmatively. Mr. Atkins asked how the 2019 Fiscal Year budget is affected by the \$3 million cut in the Tourism Special Fund. Mr. Togashi explained that, though this topic would be discussed in further detail in the May Board meeting, HTA will no longer have to allocate funding out of the Tourism Special Fund into the Convention Center Enterprise Special Fund for sales and marketing due to the Legislature's act relieving HTA from paying the Convention Center's bond debt obligation.

Next, Mr. Dee asked whether HTA would increase or maintain its current minimum emergency reserve in the Tourism Special Fund. Mr. Togashi replied that HTA is planning to replenish the fund. He also explained that HTA may request to use emergency funds in the TSF to provide support to communities impacted by the recent volcanic activity on Hawai'i Island. Mr. Togashi explained that HTA will look toward replenishing any emergency funds to the extent those funds have been tapped.

Mr. Szigeti expressed that the Board must take a serious look at HTA's responsibility in maintaining natural resources. In response, Mr. Togashi explained that HTA is making a shift in its budget and is increasing reinvestment in Hawai'i's natural resources due to recent success in marketing and the need to maintain current assets and provide tourists with reason to return. Mr. Dee stated that HTA's emergency funds can be used for marketing as well as natural resources, and that recent events have shown the importance of marketing. Mr. Atkins suggested that the Board be more proactive in fixing Hawai'i's "product."

Mr. Dee asked at what point HTA will share its budget with the Legislature. Mr. Togashi responded that HTA will request individual meetings with the House and Senate finance committees, tourism committees, and the Governor's office. Meetings will most likely occur between October and December of this year.

4. Gohawaii.com Digital Marketing Update

Mr. Dee introduced Lynn Surayan, who updated the Committee on her team's progress with the gohawaii.com project. Ms. Surayan noted that seven language sites have been launched on gohawaii.com, compared to the website's initial availability in English and Japanese. Ms. Surayan further explained that HTA wishes to host the Chinese language version of the website locally in China. HTA currently is completing licensing for its Chinese site and will thereafter migrate the data to the local host.

Next, Ms. Surayan explained how her team was measuring the website's performance. She noted that key performance indicators focus on the engagement of visitors to gohawaii.com. Indicators her team measures include the pages viewed per session; the 'bounce rate', which is the percentage of visitors that leave the site without engaging beyond the landing site; the average session duration; and traffic and listings engagement. In explaining the data shared with the Marketing Committee, Ms. Surayan explained that her team interprets the dip in average session length in December to be due to the new language sites being launched and therefore higher interest in viewing the website.

Ms. Surayan stated that seventy percent of engagement with gohawaii.com is organic, meaning that people find the site through searching relevant terms. Mr. Dee stated that it would be helpful to see year-over-year metrics to determine how gohawaii.com is trending compared to previous metrics, such as bounce rates or averages session length. Mr. Dee also asked whether gohawaii.com has a marketing or email strategy. Ms. Surayan responded that HTA currently markets via email only in the U.S., but her team is working on a proposal to a company that can build their own database for marketing the new website.

Next, Mr. Dee asked whether HTA has a process to determine compliance with the European Union's General Data Protection Regulation, or "GDPR." Ms. Goo replied that she believes HTA is compliant with GDPR. Mr. Kinkley added that HTA is actively looking into GDPR to ensure compliance. Ms. Surayan stated that, when GDPR was enacted, several European countries were actually noncompliant with the new regulation. Mr. Kinkley also stated that HTA may need to find a person licensed to practice law in the European Union in order to assist HTA in ensuring compliance.

Mr. Atkins asked Ms. Surayan how she would grade Miles Marketing Destinations' performance. Ms. Surayan responded that, since performing a scope exercise, Miles Marketing has improved their performance. Ms. Surayan added that Miles Marketing's product is good, but the issue had been that Miles Marketing had initially made promises that they were unlikely to accomplish. Mr. Atkins asked whether Miles Marketing attempted to get assistance when they knew they were underperforming. In response to Mr. Atkins' question, Ms. Surayan responded that Miles Marketing did respond to the need to obtain more assistance, for example, it placed more project managers to assist in gohawaii.com's seven-language site launch.

5. Global Tourism Summit

Mr. Dee recognized Lacie Goshi to provide an update on the 2018 Global Tourism Summit. As of May 30, 2018, the Global Tourism Summit was 123 days away. Ms. Goshi announced that early bird registration had begun and HTA has announced select Keynote speakers. Ms. Goshi stated that, due to the volcanic activity on Hawai'i Island, HTA put a hold on marketing for the Global Tourism Summit but is now ready to resume marketing efforts. In response to Mr. Atkins' question on why HTA decided to pause its marketing efforts, Mr. Szigeti responded that HTA received feedback from the community that marketing the Global Tourism Summit was

insensitive given the events on Hawai'i Island.

Ms. Goshi then stated that the exhibit booth package release was scheduled for mid-July, and the deadline for early bird registration was July 31, 2018. As of the May Marketing Committee Meeting, Ms. Goshi noted thirteen registrations; HTA's registration goal is two-thousand five hundred registrations. Early bird registration rates are \$325 for full access to the Global Tourism Summit, and either \$315 or \$295 for select days. Ms. Goshi added that there was a special rate for students.

Ms. Caroline Anderson then described the current events schedule for the Global Tourism Summit. On the first day, the Summit will hold its student debate, and close out the day with a networking reception. On the second day, the Summit will hold concurrent sessions, including sessions on cultural, sustainable, and global tourism trends. On the third day, the Summit will hold an update on airlines; participants include the State Department of Transportation and the Airports Division. Next, Ms. Anderson stated that Mike Dominguez would be the Keynote speaker and will speak on a panel regarding safety and security. She also added that the tourism legacy lunch would be held on the third day.

Mr. Dee stated that the Global Tourism Summit should have a steering committee, and that an active steering committee would give the Global Tourism Summit a better chance of getting sponsors. Ms. Menor-McNamara asked if there are any new marketing plans for the Summit since last year. Ms. Anderson responded that the biggest change from the last year is that marketing for the Summit is beginning much earlier. Also, Ms. Anderson stated that the early bird special had a shorter time frame, and the Summit is being marketed more through social media. Finally, Ms. Anderson explained that HTA is using Facebook data collection to measure their marketing efforts.

6. Sports Marketing Update

Mr. Dee began discussion by disclaiming that the Committee would hold as much of the meeting as possible in open public forum, but because some of the information discussed would be confidential, the Committee planned to enter Executive Session.

Mr. Dee then introduced Peter Honig to discuss HTA's sports marketing opportunities. Mr. Honig expressed that two opportunities were currently present for HTA's Board: the Ultimate Waterman competition and a Preseason NFL Match with the Los Angeles Rams. For the Ultimate Waterman, Mr. Honig explained that the competition is held to determine who the "Ultimate Waterman" is after competitors compete in a series of eight water sports challenges; the competition has been held in New Zealand for the past few years, but the organizers are looking to expand to Hawai'i. The competition has partnered with TV Redbull in the past.

Mr. Honig explained that the Ultimate Waterman is an opportunity for HTA to create powerful content and support growth in digital channels. The event is livestreamed and contains arresting footage of the surrounding landscape. Mr. Honig stated that they were looking at an

economic impact to the State of a little over \$1.5 million. The Ultimate Waterman is requesting a dollar amount that Mr. Honig expressed may be over what the HTA Board is comfortable with. In response to questioning from Mr. Atkins, Mr. Honig stated that the Ultimate Waterman would not be dependent on a big wave component to the competition and that there are often multiple competitors from Hawai'i who participate. Kalani Ka'ana'ana expressed that this event would also help with HTA's mission to raise cultural awareness. In response to Mr. Sanders' question, Mr. Honig stated that both the Ultimate Waterman and an NFL Preseason game with the L.A. Rams were contingent on reshuffling existing commitments. Mr. Atkins suggested that the Ultimate Waterman may be a great opportunity for branding, even if the event itself does not have a great financial return on the State's investment.

Next, Mr. Honig discussed the one-time opportunity to bring the L.A. Rams to Hawai'i as the team prepares to move into their new stadium in 2020. Mr. Honig said that the proposed event has the chance of large web growth and the NFL is looking for a significant financial investment from the State. Mr. Honig stated that the L.A. Rams see this as an opportunity to engage with the State of Hawai'i and they have accordingly explained that no potential opponent will be discussed without further good faith negotiations. In response to Mr. Atkins' and Mr. Ka'ana'ana's questions, Mr. Honig explained that the L.A. Rams will absolutely engage with Hawai'i's communities, but that any particular details of involvement would have to be expressed and negotiated up front. Mr. Dee expressed that these opportunities should be considered when looking at the FY19 budget. Mr. Honig responded that if HTA obtains a partnership with the L.A. Rams, the marketing portion of that partnership would start this year for a 2019 Preseason game, and that this partnership would not preclude the State from holding the Pacific Rim Cup and an NBA Preseason game with the Clippers in 2019.

Mr. Dee stated that the rest of the sports marketing update would be held in Executive Session in order to protect Hawai'i's competitive edge as an international destination. Mr. Dee noted that Executive Session is allowed by Hawai'i Revised Statutes sections 92-4 and 92-5, as well as section 201B-4. Mr. Dee moved to go into executive session, and Mr. Atkins seconded the motion.

The Committee entered Executive Session at 3:23 p.m.

7. FY 2018 Budget: Actual vs. Forecast

This portion of the Marketing Standing Committee meeting was held in Executive Session.

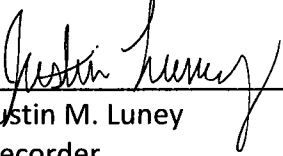
8. Adjournment

The Executive Session ended at 4:17 p.m.

Mr. Dee requested a motion to adjourn the meeting. Mr. Sanders so moved and Ms. Menor-McNamara seconded the motion, which was approved by all Committee members present.

The meeting was adjourned at 4:18 p.m.

Respectfully submitted:


Justin M. Luney
Recorder
